

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 NEA-10 ISO-00 CAB-02 CIAE-00
COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00
L-03 SCS-03 SCA-01 /054 W
-----300932Z 029538 /12

P R 300820Z DEC 76
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC PRIORITY 7682
INFO FAA HONO PRIORITY
AMEMBASSY COLOMBO
AMCONSUL HONG KONG PRIORITY
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY LONDON
AMEMBASSY MANILA
AMEMBASSY RANGOON
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO PRIORITY
CINCPAC

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CINCPAC FOR POLAD

E.O. 11652: NA
TAGS: EAIR, TH
SUBJ: CIVAIR AIR SIAM

REF: (A) BANGKOK 34744 (NOTAL), (B) BKK 31017 (NOTAL),
(C) BANGKOK 32443 (NOTAL), (D) BKK 32524 (NOTAL)

1. AIR SIAM, A SMALL BUT ENDLESSLY INTRIGUING AIRLINE,
IS DEAD (REF A). THERE MAY BE RENEWED EFFORTS TO
RESURRECT IT, BUT WE BELIEVE ANY SUCH EFFORTS -- IN THE
ABSENCE OF A CHANGE IN RTG POLICY, WHICH WE CONSIDER
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UNLIKELY -- WOULD BE DOOMED TO FAILURE.

2. IN ANNOUNCING SUSPENSION OF SERVICES EFFECTIVE JAN. 1,
COMPANY PRESIDENT VIVID VICHITVADAKARN, ADMITTED AIR
SIAM HAS OUTSTANDING DEBTS TOTALLING \$17.5 MILLION
(350 MILLION BAHT), HAS RECENTLY BEEN LOSING MONEY AT

RATE OF \$2.5 MILLION (50 MILLION BAHT) MONTHLY, AND HAS SOLD TICKETS VALUED AT \$5 MILLION (100 MILLION BAHT) FOR WHICH BUYERS WILL NOT BE REIMBURSED. WE WOULD HPE THAT, AS RECOMMENDED EARLY IN NOV (REF B), IT PROVED POSSIBLE TO PROVIDE WARNING TO U.S. PUBLIC ABOUT RISK OF BUYING AIR SIAM TICKETS IN ADVANCE OF ACTUAL TRAVEL.

3. VIVID TOLD PRESS EMPLOYEES WILL REMAIN ON PAYROLL UNTIL RTG "CLARIFIES ITS POSITION WITH REGARD TO AIR SIAM". HOWEVER, WE UNDERSTAND THAT ALL AIR SIAM EMPLOYEES WERE PUT ON HALF-PAY AT END OF NOV, AND DOUBT THEY WILL FARE AS WELL AT YEAR'S END.

4. WE HAVE NOT BEEN ABLE TO GET GOVERNMENT REACTION TO AIR SIAM ANNOUNCEMENT, BUT DOUBT RTG WILL SWITCH POLICY OF IMPLACABLE HTSTILITY TO AIR SIAM AT THIS LATE DATE. IN FACT, RTG APPARENTLY TELEGRAPHED ITS INTENTIONS TO AIR SIAM DEC. 28 BY ANNOUNCING THAT AS RESULT SUSPENSION OF AIR SIAM'S DC-10 SERVICES, 1,110 SEATS PER WEEK PREVIOUSLY ALLOCATED TO AIR SIAM UNDER CAPACITY LIMITATION IMPOSED BY BRITISH WILL BE ALLOCATED TO THAI INTERNATIONAL EFFECTIVE IMMEDIATELY. OUR GUESS IS THAT RTG STILL PLANS TO LET AIR SIAM'S PERMIT EXPIRE MAR 31.

5. WITH REGARD TO FUTURE, DR. SRISOOK OF MINISTRY OF COMMUNICATIONS TOLD EMBOFF IN NOV THAT THAI INTERNATIONAL IS MAKING PLANS TO SERVE HONOLULU, PERHAPS WITHING THREE MONTHS, AND THAT LONG-RANGE PLAN IS TO OPEN SERVICE TO SEATTLE AND ON TO CHICAGO. HE IMPLIED HONOLULU SERVICE WOULD REQUIRE PURCHASE OF THIRD DC-10. IN RESPONSE LIMITED OFFICIAL USE

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TO QUESTION AS TO WHETHER USG WOULD PERMIT RTG TO "TURN IN" LOS ANGELES RIGHTS IN EXCHANGE FOR RIGHTS AT SEATTLE AND CHICAGO, EMBOFF SAID THAT WHILE RTG ROUTE ASPIRATIONS WOULD BE MATTER FOR NEGOTIATION, HE COULD NOT ENVISION ANY CIRCUMSTANCES IN WHICH USG WOULD BE ABLE PERMIT ADDITIONAL ACCESS TO CHICAGO IN PARTICULAR. AS NOTED REF C, SRISOOK SIAD IN NOV THAT THAI INTER WAS MAKING PLANS TO HIRE MOST OF AIR SIAM'S FLIGHT AND GROUND PERSONNEL, AND AT LEAST WO OF ITS FLIGHT CAPTAINS HAVE ALREADY RETURNED TO THAI INTERNATIONAL AS CO-CAPTAINS ON DC-8 FLIGHTS.

6. ON ASSUMPTION RTG WILL INQUIRE ABOUT DESIGNATION PROCESS, PLEASE ADVISE STEPS REQUIRED AND ESTIMATED TIME TO COMPLETE PROCESS.

7. HALT IN AIR SIAM'S SERVICES WILL IN ALL LIKELIHOOD RESULT IN STRANDING OF U.S. CITIZENS AT POINTS

BETWEEN BANGKOK AND HONOLULU, AND WE URGE THAT
DEPARTMENT AND POSTS PROVIDE ASSISTANCE AS APPROPRIATE.
WE ALREADY HAVE ONE U.S. MILITARY FAMILY ON LEAVE FROM
JAPAN STRANDED HERE AND WILL TRY TO GET RTG TO PROVIDE
TRANSPORTAION FOR THEM TO TOKYO. AIR SIAM'S 747 HAS
BEEN PARKED AT DON MUANG SINCE DEC. 29.
WHITEHOUSE

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Message Attributes

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